CII plan for agricultural reforms

*67. DR. T. SUBBARAMI REDDY:†
PROF. ALKA BALRAM KSHATRIYA:

Will the Minister of AGRICULTURE be pleased to state:

(a) whether agriculture sector, though on a fast growth track due to rising private investment is unlikely to sustain last year's double digit growth, as per CII assessment;

(b) whether agriculture sector still faces many hurdles such as poor productivity, falling water levels, expensive credit, a distorted market and unfriendly private investment climate;

(c) if so, whether CII has come out with a five point plan calling for agriculture reforms and increased private investment to put India on a higher growth net;

(d) if so, whether Government have considered the five point plan; and

(e) if so, the steps being taken to implement them?

THE MINISTER OF AGRICULTURE (SHRI SHARAD PAWAR): (a) to (e) A Statement is laid on the Table of the House.

Statement

(a) Agricultural growth is significantly influenced by fluctuations in crop production caused by deviations in actual weather conditions like rainfall and temperature from their normal levels over time and space. According to the assessment by the Confederation of Indian Industry (CII), the double-digit growth in agriculture during 2003-04 is unlikely to be repeated in 2004-05, despite the forecast of a normal monsoon. The growth rate in agriculture during 2003-04 has been estimated by the Central Statistical Organisation (CSO) at 9.1 per cent. Given the high base in 2003-04, it is difficult to expect equally impressive growth in 2004-05 even if weather conditions turn out to be as favourable as they were in 2003-04. CII is, however, optimistic about high rates of agricultural growth in coming years.

(b) The problems facing the agricultural sector are low size of operational holdings, low productivity across States/regions and crops,

†The question was actually asked on the floor of the House by Dr. T. Subbarami Reddy.

dependence on rain for water in about 60 per cent of the net sown area, fall in water levels in certain States/regions owing to concentration on crops requiring more water like rice, sugarcane, etc. and inadequate flow of credit at reasonable cost, distortions in markets owing to inability of producers/farmers to directly sell their produce, etc.

(c) The five-point plan as given by CII is as follows:-

(1) Give States an incentive to amend the Agricultural Produce Marketing Committee (APMC) Act and abolish mandi taxes. This would allow competitive markets to develop; farmers and processors will both gain.

(2) Support the organized private sector in increasing its spending on extension and technology transfer. This would give farmers the knowledge of what to grow, and how to grow so that stringent quality norms are met.

(3) Implement the Unified Food Law, and back it up with lowering the total tax burden on processed foods so that the sector picks up, and consequently demand for farm produce rises.

(4) Target foreign buyers of high value ethnic Indian foods, as opposed to commodity exports starting with the large NRI population of twenty million, which can be a huge market.

(5) Create a viable model of public-private partnership that allows private investors to invest in agriculture infrastructure in partnership with banks and financial institutions.

(d) and (e) The measures implied by CII's five-point plan form part of Government Policy aimed at improving production and productivity in Indian agriculture. As regards market reforms, State Governments have been advised to amend their respective Acts to allow private and cooperative sector investment in setting up of competitive agricultural markets to encourage direct marketing and contract farming arrangements. Promotion of direct marketing and contract farming and development of competitive agricultural markets in private and cooperative sectors have been identified as key areas of reform in the sector, requiring, *inter-alia*, amendments to the relevant State Acts. As regards Unified Food Law, the work already done relates to preparation of draft Bill by the Ministry of Food Processing

Industries. Work on this needs to be carried forward, and action has accordingly been initiated in this regard. In regard to export of high value ethnic Indian foods, Agricultural and Processed Food Products Export Development Authority (APEDA), whose main function is to build links between Indian producers and foreign buyers, is expected to play a significant role in the promotion of export of high value Indian foods tailored to the tastes of Indian buyers abroad. As regards public-private partnership, Government policy will *inter-alia* focus on creation of an environment conducive to public-private partnership in key areas of agriculture infrastructure and agricultural research.

DR.T. SUBBARAMI REDDY: Sir, it is a known fact that in the agricultural sector farmers are suffering because of drought, cyclone and *low credit policy. Just now, the hon. Minister has replied to the previous* question that the present budget is going to give 100 per cent more credit facilities to the farmers than what they were getting before. Sir, in Andhra Pradesh, suicides by farmers are being committed, in spite of taking lot of measures by the State Government. I would like to know from the Minister whether any concrete plan is envisaged by the Central Government? If so, the system and methodology for providing credit to the needy farmers with low interest rates? Is there anything else, the Government is contemplating?

श्री सभापति: इसे अभी छोड़िए, इसके लिए कॉलिंग अटेंशन नोटिस आ रहा है, उस समय डिस्कस कर लेंगे।

श्री राजनाथ सिंह: सभापति जी, मैंने जो सप्लीमेंटरी पूछा था, माननीय मंत्री जी उसका उत्तर दे दें।

प्रो॰ अलका क्षत्रिय: सर, मेरी सप्लीमेंटरी अभी बाकी है।

श्री सभापति: इस संबंध में जब कॉलिंग अटेंशन पर चर्चा होगी, उस समय पूछ लेना।

*68. *[The questioner (Shri Harish Rawat) was absent. For answer vide page 38]*

Communicable disease control programmes in Assam

*69. SHRI DWIJENDRA NATH SHARMAH: Will the Minister of HEALTH AND FAMILY WELFARE be pleased to state: